

OUTCOMES

The outcomes of the workshop were a series of questions for further investigation, a series of SMART goals, consensus on who will manage the risks identified during discussion, and follow-up actions.

QUESTIONS FOR FURTHER INVESTIGATION

Scope questions:

- Legislative intent: Is the legislative scope used as a basis for the final Connecting Washington bill a given?
- Legislative intent: Can we move forward with assumed use of tolling?
- Practical design: Given legislative intent on scope, how do we align legislative and executive intent on practical design?
- Early work: Should early project elements be tolled upon initial opening, later at a legislatively defined date, or at program completion?
- Sound Transit: How can we balance defining a cost-efficient light rail footprint and keeping highway forward compatibility options open for future?
- I-5 Vision: What are the design and future operations considerations?

When stakeholders ask whether the program can be accelerated, how should WSDOT respond?

Can WSDOT evaluate Gateway as a pilot for innovative financing?

What are the tolling contributions, associated strategies, and legislative timing?

What are the local contributions, associated strategies, and partnerships for grants?

PROGRAM RISKS

RISK	OWNER
Public/Stakeholders	
Tolling on Reservation and Right of Way	Craig
I-5 Ultimate Visions	Craig
Practical Design Implementation	Craig
Legislative/Legal	
Tolling Approach	Craig
Financial	
FAST Grants	Craig
Innovative Funding	Craig
Inflation	Craig
Financial Match/Local Contributions	Craig
Institutional	
Resources and Capacity	Craig
Timely Agreement/Practical Design/Approach	Craig
Organizational Structure	Craig
Technical	
Right of Way Acquisition	Steve (167) Omar (509)
Sound Transit Schedule Drivers	Omar

SMART GOALS

PILLAR	GOAL	DETAILS	TIMING
Program Scope	Develop scope definition, funding and phasing strategy, and program implementation schedule.	Close cooperation and consultation with the program executive and steering committees, and coordination on key questions with executive management.	10/2016
Program Finance & Delivery	Have preliminary discussion with executive management about potential challenges and options that could deliver the program more efficiently, such as innovative financing and delivery.	Evaluate innovative financing and delivery, and work through potential scenarios.	3/2016
Org. Structure	Have a strong matrix organization strategy and RACI structure in place.	Document agreement on what the organization chart looks like near term, and conceptually mid term and long term. Ensure agreement and understanding on size, scalability, and roles/responsibilities, including decision points throughout the program that will drive organizational changes.	4/2016

FOLLOW-UP ACTIONS

ACTION	RESPONSIBILITY	TIMING
Prepare a master strategy to define the project scope at executive, legislative, and stakeholder perspectives	Craig	3/2016
Develop 18-month work plan with next steps/tasks	Craig	3/2016
Hold traffic modeling workshop to agree on methodology and consistency in thinking/assumptions	SR 509 – Omar SR 167 – Steve	3/2016 4/2016
Investigate both port's current capacity, future operational goals and drivers for those goals	Craig	6/2016
Develop a strategy for national grant opportunities	Craig	4/2017

Puget Sound Gateway Program

Success Management Workshop Executive Summary

INTRODUCTION

This workshop developed high-level strategies for advancing the Puget Sound Gateway program. Based on a candid look at program-level drivers, opportunities, and constraints, the day-and-a-half session was attended by WSDOT management and program stakeholders, and facilitated by HNTB.

OVERVIEW

To advance the program, the Puget Sound Gateway Success Management Workshop blended strategic visioning with elements of risk management to clarify goals, identify threats and opportunities, determine areas of focus, and create an action plan. The goal of the workshop was to gain a common understanding and consensus on the program vision and boundaries that define success, focused around a series of questions that will help shape the direction of the program:

PROGRAM PILLARS		
PROGRAM SCOPE	PROGRAM FINANCE & DELIVERY	ORGANIZATIONAL STRUCTURE
How does WSDOT implement practical design while still meeting the legislative intent and maintaining stakeholder endorsement?	How does WSDOT deliver a 16-year program efficiently?	How does WSDOT develop an organizational structure for two regions with clear roles and responsibilities, and a reporting structure for the near and long term?
How does WSDOT work through FHWA issues on practical design and tolling?	How does WSDOT deliver phased projects ensuring benefits with each phase?	How does WSDOT build and maintain a flexible team for long term delivery?
How does WSDOT work with Sound Transit to deliver both programs efficiently?	Could WSDOT use innovative financing to deliver packages more efficiently?	
	What is the strategic approach to local funding? Is WSDOT able to partner for federal FAST funding?	
	What is the strategic approach to toll funding? What if tolling authorization is not realistic?	

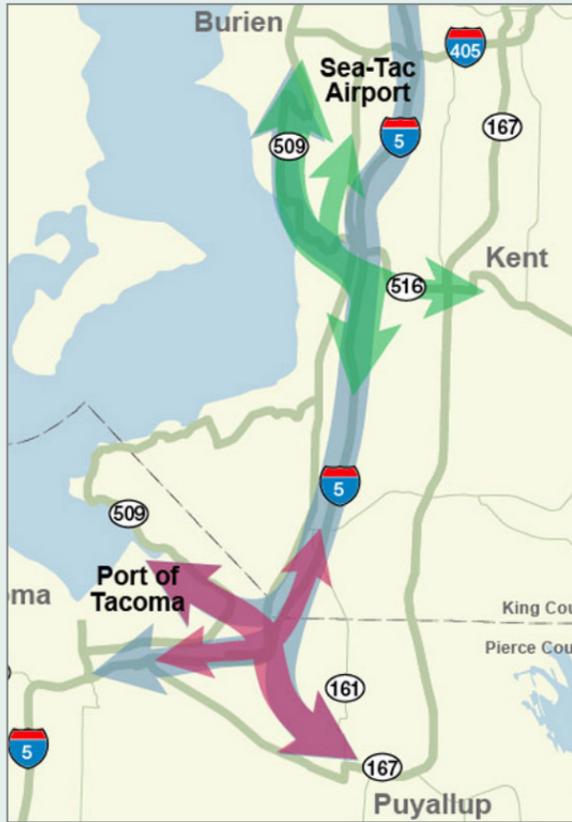
MEETING ATTENDEES		
WSDOT: <ul style="list-style-type: none"> • Assistant Secretary, Chief Engineer - Linea Laird • NW Region Administrator - Lorena Eng • NW Region Asst. Regional Administrator - Azim Sheik-Tahari • Olympic Region Administrator - Kevin Dayton • Olympic Region Asst. Regional Administrator - John Wynands • Olympic Region Program Manager - JoAnn Schueler 	<ul style="list-style-type: none"> • Director Capital Program Development - Jay Alexander • Director PPP Program - Anthony Buckley • Director Engineering Policy & Innovation - Nancy Boyd • Gateway Program Administrator - Craig Stone • SR 167 Project Manager - Steve Fuchs • SR 509 Project Manager - Omar Jepperson 	HNTB: <ul style="list-style-type: none"> • Independent Facilitator - Steve Liggett • Success Management Lead - Dave Downs • Finance Lead - Brad Guilmino • Government Relations Lead - Jennifer Ziegler • GEC Manager - Wendy Taylor • Senior Project Director - Dan Dixon • Communications Specialist - Natalie Schneider

For more information, contact

Craig Stone, PE Gateway Program Administrator StoneC@wsdot.wa.gov



PUGET SOUND GATEWAY PROGRAM



Completing the Gateway program provides direct links from the state's largest ports to the distribution centers in the region and to Eastern Washington. It provides direct access to Seattle-Tacoma International Airport from the south for both passengers and air cargo. It also supports local community and economic development.

The Puget Sound Gateway program is funded on a 16-year timeline. Total funding is \$1.87 billion, which assumes \$310 million of local contributions and tolling revenue.

GATEWAY NORTH (SR 509)

SR 509 will provide a better connection between the Port of Seattle and the Green River Valley for freight and provide a new south access to Sea-Tac International Airport. It supports local and regional comprehensive planning and development. Adjacent Sound Transit and airport projects are dependent on the SR 509 Gateway design.

GATEWAY SOUTH (SR 167)

SR 167 will provide a better connection between the Port of Tacoma and the Puyallup/White River Valley to improve regional mobility for multimodal, port, freight, and passenger vehicle traffic. The project also supports local and regional comprehensive planning and economic development.

SHARED PROGRAM OBJECTIVES

Meeting attendees agreed on the following objectives for the Gateway program:

- Deliver program efficiently, realizing cost and time savings where possible
- Clearly establish the scope of Gateway North and Gateway South projects early on
- Through practical solutions and design, establish a scope that meets stakeholder expectations
- Create a carefully crafted communications and government relations approach
- Develop an organizational structure for the overall program, two regions, and headquarters with clear roles and responsibilities, aligning authority with responsibilities, and ensure the reporting structure will work for the near and long term

ORGANIZATIONAL STRUCTURE VISION

The Gateway program organization will utilize an integrated team led by a clearly defined program management team. The Gateway North and South project teams will provide tactical delivery and decision-making in support of program management strategic direction.



PROGRAM SCOPE

The Practical Design concept is new to this industry. Gaining a common understanding with WSDOT, FHWA, legislature, and stakeholders is critical to the program's success. What strategies will allow WSDOT to achieve alignment on the program scope?

DEFINING THE PROJECT SCOPE: WHERE TO START?

Legislative direction (based on the 2015 Legislative scopes from the Connecting Washington Funding Package)

Listening to the community/stakeholders (needs/wants)

Practical solutions (executive order and legislative direction to base scope on performance criteria)

PROJECT RISK:

More changes / more engagement = increases in project cost and potentially project scope

CRITICAL SCOPE AND DESIGN CONSIDERATIONS:

Working under the assumption of tolls
Toll-dependent functions:
Capacity – Design is based on reduced demand from a tolled facility
Funding – Amount generated
Implementation – When collection can begin

Working under the assumption of local contributions

PROGRAM FINANCE & DELIVERY

The workshop included a discussion about innovative funding, guided by the program's efficiency goals and the understanding that stakeholders have asked whether the program could be advanced.

QUESTION: Is it technically feasible and reasonable for WSDOT to use innovative financing to deliver the Gateway program more efficiently?

ANSWER: Likely, with the following considerations:

Legislative Funding

- Aversion to debt service and changing Connecting Washington funding schedules
- P3 reluctance
- Statewide debt burden

Institutional Perspective

- Does WSDOT have the resource capacity for accelerated delivery?
- What are the impacts on other Connecting Washington projects?
- \$30 million per year potential revenue stream from early tolling on this program

Stakeholder Perspective

- Want actions for faster economic benefit, increased competitiveness of our ports and businesses

Executive Perspective

- Statewide view of the Connecting Washington program, cautious regarding changes for individual projects
- Risk analysis (if Gateway program has challenges, ensure that other projects are not at risk)

INNOVATIVE DELIVERY IDEAS

- » Determine feasibility of purchasing ROW faster. Could this lead to earlier project delivery?
- » Look into pursuing grant funding – FAST/Federal to meet local finance objectives
- » Determine if WSDOT could accelerate tolling
- » Potential for considering Gateway as a pilot program using innovative funding
- » Analyze efficiencies to be gained from accelerating or rebalancing the entire CW program

ORGANIZATIONAL STRUCTURE

It is important to align the project with a strong matrix organizational structure with clear roles and responsibilities to help ensure an efficient, effective approach. The RACI (Responsible, Accountable, Consulted, Informed) concept will be applied to clearly define each organizational role.

Principles of a strong matrix:

- Strong owner
- Flexible and nimble
- Defined processes
- Leverage private sector/consultants
- Integrated teams
- Full-time project manager with moderate to high authority and budget control
- Full-time program management administrative staff

GUIDING THOUGHTS

- » The Gateway program is different than typical WSDOT projects, and needs a unique structure
- » Need to consider what will be most efficient instead of doing what has always been done
- » A strong core team with defined reporting lines and authority are key to success
- » Program management provides strategic direction and decision making, Gateway North and South projects provide tactical delivery and project-specific decision making
- » Communications/messaging needs to present a unified message, driven from the Program Management team, with execution assistance from Gateway North and South
- » Utilize expertise in the Olympic and Northwest Regions
- » Right of way should be delivered through Gateway North and South, with Program Management setting priorities



ATTACHMENTS

Puget Sound Gateway Program Success Management Workshop

This workshop will develop a high-level strategy for advancing the Puget Sound Gateway program based on a candid look at the program-level drivers, opportunities and constraints. The two day-long session will be facilitated by experienced professionals, but will depend on the insights, experience, goals and expectations of key individuals within and out-side of the Department, all of whom have a stake in the program’s success.

Background

The Puget Sound Gateway is a multi-billion dollar program to improve the SR167 and SR509 corridors, two critical freight routes. Both corridors have a long history of project planning and development, with strong support from stakeholders but have received insufficient funding packages to bring the vision to completion. To better position the corridors for funding, the Washington Department of Transportation (WSDOT) developed a phased implementation approach that included tolling, which was endorsed by stakeholders in 2013.

As part of *Connecting Washington*, the legislature funded the program at \$1.87 billion for advancing program development and construction improvements to complete the first phase of these two corridors. The funding package included \$1.5 billion from gas tax, \$180 million from tolling and \$130 million from local contributions over a 16-year delivery period. The corridor stakeholders worked with the legislature on a proviso to ensure that both corridors progressed simultaneously.



Additionally, the legislature required practical design approach to delivering *Connecting Washington* funded projects. WSDOT is beginning to implement this new delivery process so that projects are developed to meet the essential need not simply to construct improvements up to the project budget.

Success Management Workshop Goals

To advance the program, WSDOT has asked HNTB to lead a success management workshop. HNTB’s success management approach blends strategic visioning with elements of risk management to clarify goals, identify opportunities and constraints, determine specific areas of focus, and associated action plan. The goal of the Puget Sound Gateway workshop is to gain a common understanding and consensus on the program vision and boundaries that define success.

The three major components and questions to be address include:

1. Organizational Structure
 - How does WSDOT develop an organizational structure for two regions with clear roles and responsibilities and reporting structure for the near and long term?
 - How does WSDOT build and maintain a flexible team for long-term delivery throughout a 16 year program?

2. Project Scope Practical Design
 - How does WSDOT implement practical design meeting the legislative intent while still maintaining stakeholder endorsement?
 - How does WSDOT work through FHWA issues centered on practical design and tolling?
 - How does WSDOT work with Sound Transit to deliver both programs efficiently?
3. Innovative Delivery and Financing
 - How does WSDOT deliver a 16-year program efficiently?
 - How does WSDOT deliver phased projects with benefits?
 - Could WSDOT use innovative financing to deliver packages more efficiently?
 - What is the strategic approach to local funding? Is WSDOT able to partner for federal FAST funding?
 - What is the strategic approach to toll funding? What if tolling authorization is not realistic?

Participants

To be successful, a mix of WSDOT leadership and external industry expertise will be called on to provide insight and experience during the workshop. Thoughtful preparation by these individuals of the program will result in a program vision, supported by key internal stakeholders that will drive the execution strategy for the program. These participants are core to the meeting:

WSDOT

- Assistant Secretary, Chief Engineer - Linea Laird
- Northwest Region Administrator - Lorena Eng
- Northwest Region Deputy Administrator - Bill Vlcek
- Olympic Region Administrator - Kevin Dayton
- Assistant Regional Administrator, Project Development, Olympic Region - John Wynands
- Program Manager, Olympic Region - JoAnn Schueler
- Director Public Private Partnerships Program - Anthony Buckley
- Director Capital Program Development & Management - Jay Alexander
- Director Engineering Policy & Innovation - Nancy Boyd
- Puget Sound Gateway Program Administrator - Craig Stone
- SR167 Project Manager - Steve Fuchs
- SR509 Project Manager - Omar Jepperson

Industry Expertise

- Independent Facilitator - Steve Liggett
- Success Management Lead - Dave Downs
- Finance Lead - Brad Guilmino
- Government Relations Lead - Jennifer Ziegler
- SR 509 Program Director - Wendy Taylor
- Senior Project Director - Dan Dixon

Details and logistics are being finalized, but as a participant you may expect to be contacted for pre-workshop data gathering as well as receive advance materials to read and do your own thinking to prepare questions and solutions to the issues raised. You will be involved in a two day-long workshop with tentative dates February 1st and 2nd.



November 24, 2015
[January 22, 2016 Update]

TO: Linea Laird
Keith Metcalf
Kevin Dayton
Lorena Eng

FROM: Craig Stone

RE: Puget Sound Gateway Program – First Perspectives

The purpose of this memo is to help facilitate discussion on the approach and my first perspectives to deliver the Gateway program. This comes during the month of November as I transition out of tolling -- which has taken a fair amount of my attention.

Topics for our discussion:

STRATEGIC DELIVERY PLANNING

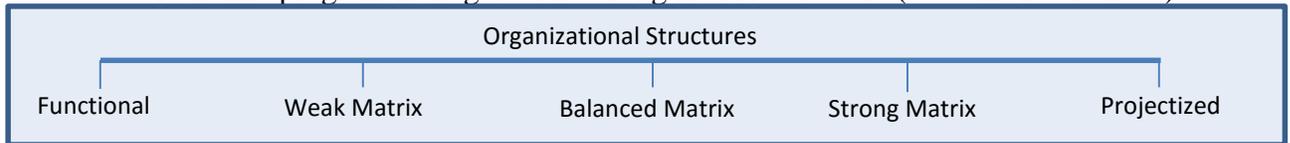
- While there is a 24 year legacy on these projects since the 1991 gas tax that funded their corridor EISs, there is a lot of program start up with the new CW funding. Focus right now is to ‘plan the plan, then work the plan’
- Program needs solid foundation to step off from
 - The authorizing budget legislation:
the department shall implement the project's construction as a single corridor investment. The department shall develop coordinated corridor construction and implementation plan for state route number 167 and state route number 509 in collaboration with affected stakeholders. Specific funding allocations must be based on where and when specific project segments are ready for construction to move forward and investments can be best optimized for timely project completion. Emphasis must be placed on avoiding gaps in fund expenditures for either project.
- Three critical steps:
 - WSDOT executive concurrence with approach – Nov/Dec
 - Goal setting with key team members – Feb
 - ‘Success Workshop’ to define goals, measures of success, team vision, team formation & alignment
 - Strategic Delivery Planning – Feb to Oct
 - Build delivery plan for program (e.g. sequence of work, program schedule and budgets, organizational elements, R/W acquisition, D-B packaging, risk management, change management, etc)
 - Obtain Stakeholder buy-in
 - Expect phasing, local contribution, tolling and I-5 to be key elements of discussion

PRELIMINARY PROGRAM GOALS & OBJECTIVES

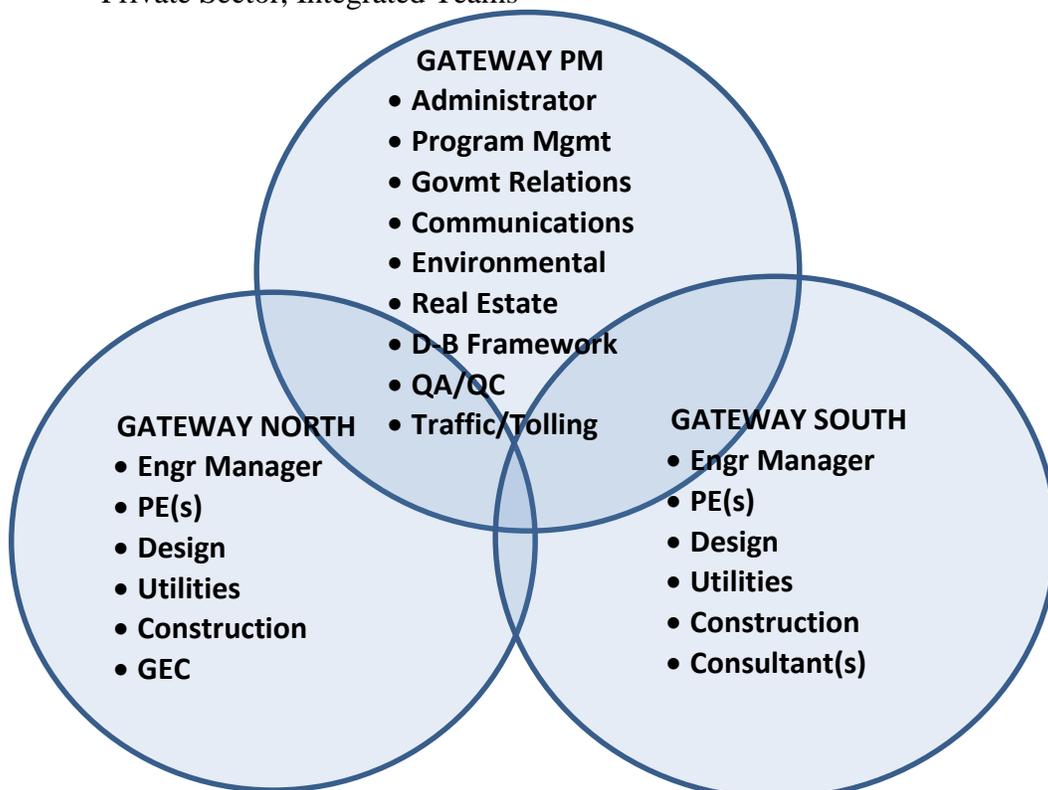
- Deliver program on-time, ~~in-budget~~ [practical solutions suggest w/ savings, not in-budget]
- Deliver as efficiently as possible
 - Meeting needs of users
 - Providing best value
- Understanding and supporting I-5 vision
 - Meeting travel needs in the Seattle-Tacoma corridor
- Supporting partner agencies to meet their objectives
 - ST LINK – Angle Lake Station & Federal Way Extension
 - Sea-Tac Airport South Access
 - City of SeaTac 28th/24th arterial

DELIVERY MODEL

- Full time program manager with ‘strong matrix’ structure (see OhioDOT slides)



- ‘Triangle’ principle of Program Management Office, Gateway North, Gateway South
- Principles -- Strong Owner, Flexible & Nimble, Defined Processes, Leverage Private Sector, Integrated Teams



STRUCTURE

- WSDOT Executive Oversight
 - Linea, Keith, Kevin, Lorena, Craig
- Stakeholder Committees

Executive Conference Committee Options	
<ol style="list-style-type: none"> 1. Full SR 509 & SR 167 Exec Committee Joint Meetings (semi-annual) 2. Three from each Exec Committee, Craig (w/ possibly Secretary) 3. SR 509 Exec Committee Chair, SR 167 Exec Committee Chair, Craig 	
SR 509 Executive Committee City of SeaTac City of Des Moines City of Kent King County Port of Seattle Sound Transit PSRC WSTC FMSIB FHWA WSDOT	SR 167 Executive Committee City of Algona City of Auburn City of Edgewood City of Fife City of Kent City of Tacoma City of Pacific City of Puyallup City of Sumner Pierce County Pierce Transit Sound Transit Port of Tacoma Puyallup Tribe of Indians PSRC WSTC FMSIB FHWA WSDOT
SR 509 Steering Committee City of Burien City of Des Moines City of Federal Way City of Kent City of Normandy Park City of SeaTac Port of Seattle Sound Transit King County Washington Trucking Association South Sound Chambers of Commerce WSDOT	SR 167 Steering (Partners) Committee City of Algona City of Auburn City of Edgewood City of Fife City of Kent City of Tacoma City of Pacific City of Puyallup City of Sumner Port of Tacoma Pierce County

Activities	2015-2017 (Environmental Studies, Relocate Utilities, Property appraisals)	2017-2019 (Purchase Right of Way, Relocate Utilities, Select Design-Builder for Project 1)	2019-2021 (Purchase Right of Way, Construct Project 1, Select Design-Builder for Project 2)	2021-2023 (Purchase remaining Right of Way, Construct Project 2)	2023-2025 (Complete Project 2 construction, Select Design-Builder for Project 3)	2025-2027 (Construct Project 3, Select Design-Builder for Project 4)	2027-2029 (Construct Project 4)	Future
Budget	Pre-existing funds and Connecting Washington Account \$3.07M	Connecting Washington Account \$36.9M	Connecting Washington Account \$134.75M \$35M (local)	Connecting Washington Account \$138.6M \$35M (local)	Connecting Washington Account \$100M	Connecting Washington Account \$158M	Connecting Washington Account \$165M	Connecting Washington Account \$10M \$95M (tolls)

- Lean State Staffing
 - Plan around short, mid and long term staffing and resources
 - Initial core staff (\$7 million level of effort '15-'17 – all aspects)
 - Bring on select staffing as needed (\$57 million level of effort '17-'19 – all aspects)
 - Fill out staffing (\$305 million level of effort '19-'21 – all aspects)
- RACI Chart
 - Need clarity on roles & responsibilities
 - At Administrators Level
 - At Project Level
- Consultants
 - SR 509 has GEC services since fall '14
 - SR 167 developed RFP concept for Strategic Plan (\$400K estimate), with consideration of a consultant to further design work
 - Bringing on a Program Management firm would be a logical package with the Strategic Plan work to include both SR 167 and SR 509. Government relations, communications, project controls and PMO functions could be included.
 - Would de-scope some of SR 509 GEC functions
 - Bring on Engineering Services firm for SR 167 project (Gateway South), to complement GEC for SR 509 (Gateway North)
- Table of Organizations
 - Intra-Program T.O. will further develop with goal setting and strategic planning
 - Inter-Agency T.O.s need to be defined (Department wide, OR, NWR)
- Location
 - Will evolve with program from start up to design to construction
 - Seattle (North) and Tumwater (South)

- Use Strategic Delivery Planning to frame up location decisions
- D-B contracts will drive towards on-site corridor locations for 19-21 and beyond.

OTHER ITEMS

- Port of Seattle Sea-Tac Airport Master Plan Update staffing
- Corporate Communications (go through engineering mgmt via Keith)
- FHWA Area Engineer(s)

Attachment: ‘Organizational Influences on Project Management’ PowerPoint